these mills have come to their notice. Whenever, instances of violation of any labour law have been reported, appropriate action is being taken under respective law.

Formation of a Dispute Settlement Panel at the Behest of USA

*344. SHRI SAIFULLA: Will the Minister of COMMERCE be pleased to state:

(a) whether India agreed to the formation of a Dispute Settlement Panel on the request of the U.S. to the World Trade Watch Dogs' Dispute settlement Body;

(b) if so, the steps Government propose to take in regard to protecting pharmaceutical and agricultural chemical product patent; and

(c) the details of the policy of the Government vis-a-vis introduction of Patents Amendment Bill, 1996 to resolve Indo-US disputes in regard to the Patents Law?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) In pursuance of the provisions of Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) of the World Trade Organisation (WTO) and Article 64 of the Agreement on Trade Related Aspects of intellectual Property Rights (TRIPs Agreement), on 2 July 1996, the Government of the United States of America had sought consultations with India alleging the absence in India of either patent protection or formal systems that permit the filling of patent applications for pharmaceutical and agricultural chemical products and that permit the grant of exclusive marketing rights in such products. The consultations were held on 27 July 1996.

The DSU provides that the complaining party may request the Dispute Settlement Body (DSB) of the WTO to establish a panel to examine the matter referred to it in the light of the relevant provisions of the WTO Agreements if the consultations fail to settle the dispute within sixty days after the date of receipt of the request for consultations. It also provides that a panel shall be established at the latest at the DSB meeting following that at which the request first appears as an item on the DSB's agenda, unless at the meeting the DSB decides by consensus not to establish a panel. In pursuance of the these provisions, on 7 November 1996 the USA requested the establishment of a panel to examine this dispute. The DSB, at its meeting held on 20 November 1996 considered this request and decided to establish a panel.

(b) and (c) As a signatory to the Agreement Establishing the WTO (WTO Agreement), of which the TRIPs Agreement is an integral part, India has certain obligations. Apart from the transitional obligations which came into effect from 1 January 1995, India has till 1 January 2000 to implement its obligations under the TRIPs agreement and till 1 January 2005 to introduce product patents in the areas of technology not protected so far. Under Section 5 of the Indian Patents Act 1970, only process patents are granted in the case of inventions which relate to food, medicines or drugs, and also in the case of substances prepared or produced by chemical processes. No patent for the product is granted in case of these inventions. Government of India is in the process of holding consultations regarding the content and modalities of the required amendment of the Indian Patents Act 1970.

Financial aid for development of tea industry

*346. DR. D. VENKATESHWAR RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether the World Bank has assessed the final fund requirement for the development of tea industry in the country;

(b) whether Government have pointed out that aggressively pursuing growth in tea production and export without proper assessment is not useful;

(c) whether the World Bank had clearly intimated the tea industry and the Board that they are willing to provide loan to raise tea production in five years;

(d) if so, whether the World Bank's views have been considered and accepted; and

(e) by when the World Bank has agreed to provide loan?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) to (e) A project for financial assistance to the tune of Rs. 2216.50 crore for development of tea industry in the country has been submitted to the World Bank. The project envisages increase in tea production mainly through productivity gains to meet the anticipated increases in the domestic demand for tea and to sustain exports. The project is under the Bank's consideration and there is not commitment as yet from the Bank that assistance will be available for the project. At the World Bank's instance five Working Groups have been constituted to make in depth analysis of the various issues and aspects of the Project. Reports of these Working Groups are expected shortly.

Wage hike in loss making PSUs

*347. PROF. NAUNIHAL SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the Government are considering wage hike for executives and non-unionised supervisors for the loss making public sector undertakings;

(b) if so, the reasons therefor;

(c) whether there are any conditions attached to this move; if so, the details thereof; and

(d) whether this would be an unprofes sional and unbusiness like move; is not the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Wage hike for executives and non-unionised supervisors for the loss making public sector undertakings following IDA scales are permitted, provided they fulfil the conditions stipulated in the Govt, guidelines issued on 19.7.1995. These, inter-alia, state that loss making enterprises would also be allowed to adopt revised scales of pay w.e.f. 1.1.92, with the approval of the Govt, provided the said PSUs give an estimate as to how resources would be generated by them to meet the extra expenditure without any budgetary support.

Subsidised foodgrains for the poorer sections

*348. SHRI ASHOK MITRA:
SHRI SANATAN BISI:

Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the scheme of supplying foodgrains to the poorer sections of the population at prices which are one-half of prices currently charged has been finalised;

(b) the total annual subsidy the implementation of the project is likely to cost; and

(c) measures proposed to raise money to cover this cost?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV): (a) No, Sir.

(b) and (c) The scheme for streamling the Public Distribution System with focus on the poor by supplying specially subsidised foodgrains to the population below poverty line is under consideration of the Government.